

FAX COVER SHEET

Date: 5-24-06 Log No. _____Time: _____ Number of Pages: 4
(Including cover sheet)TO: Tim RukeIDWRFAX#: 208-287-6700FROM: Nancy McDonaldFAX #: 208-527-3414

SPECIAL

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MESSAGE: _____

1995 memo

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527-3413

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May 21, 2006

Mr. Tim Luke
Idaho Dept of Water Resources
P.O. Box 83420
Boise, Idaho 83720-0098

Re: 1995 Memorandum

Dear Mr. Luke:

The 1995 Memo from you to Norm Young and Dave Shaw was attached to the letter sent to Richard Reynolds, Chairman of BLRID, dated April 25, 2005 from Steve Burrell of IDWR. This was the first time the BLRID Board had seen this Memo. You will note that a copy was not sent to BLRID in 1995.

There is no mention in the minutes of the Board meetings in late 1994 or in 1995 of a discussion or resolution concerning the subjects in this memo. Linda, Secretary at BLRID, could not find a copy of this memo in the files. The 1995 Manager of BLRID, Don Scarr, did not have the power to change policy only to carry out policies set by the Board.

Attached is a copy of this memo for your convenience.

Sincerely,

Nancy McDonald

Encl: "Memo"

MEMORANDUM

TO: NORM YOUNG, DAVE SHAW

FROM: TIM LUKE

DATE: MAY 19, 1995

RE: BIG LOST RIVER ACCOUNTING & ROTATION OF NATURAL FLOW RIGHTS

On May 17, I met with Doug Rosenkrance, Big Lost River watermaster, and Don Scarr, Big Lost River Irrigation District manager at the BLMID office in Mackay. Sheryl Howe also attended this meeting. I had initiated the meeting to discuss the status and responsibilities concerning rotation of natural flow rights.

Based on our review and discussion of rotation, it is my understanding that rotation currently involves physical rotation of natural flow rights within canals, which thereby reduces demand for storage and thus reduces the amount of stored water that is released from the reservoir. Both Don and Doug assured me that natural flow at the ZS gage and reservoir inflow would not be changed or adjusted to accommodate rotation of natural flow rights. Doug explained that in the past, reservoir inflow was often stored and not by-passed by the amount that was being rotated. Furthermore, the former rotation practice involved releasing rotated water stored in the reservoir without assessment of river losses. Since our rules and regulations and BLMID's own plan of operation documents do not allow for this 're-delivery without loss', the BLMID now considers rotation to involve rotation of rights within canals instead of physical rotation with the reservoir.

Individual BLMID share holders who do not divert their deliverable natural flow rights on a given day will have their storage accounts credited. This storage account crediting is a bookkeeping procedure that is internal to BLMID and should not affect our accounting of natural flow and storage water, nor the amount of water recorded as diverted at each point of diversion from the river.

It is also understood that starting this year, the BLMID will no longer determine and implement a pre-shrink to stored water. Instead, BLMID will apply river losses (river shrink) to stored water using IDWR's accounting model. This means that BLMID will use real time flow data to determine river losses assessed to transmission of stored water. This represents a major change in BLMID's water management and delivery policy.

Since the rotation of natural flow rights appears to be limited to rotation of rights within canals and will only affect the demand of stored water, I see no reason why IDWR needs to account for

rotation. It is my opinion that any attempt to do so is only duplicating the bookkeeping efforts of BL&ID which are external to IDWR's responsibilities and accounting procedures. I propose therefore that we remove the rotation files and programs from the 1995 Big Lost River accounting program. I have advised both Doug and Don that I would propose IDWR eliminate rotation from its' 1995 accounting program as long as rotation is within canals, is lawful, and will not injure natural flow rights.

cc: Sheryl Howe
Bob Sutter
Gary Spackman
Glen Saxton
Doug Rosenkrance